

Message Text

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ORIGIN STR-05

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
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INFO AMEMBASSY PARIS

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PARIS/HARTMAN

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: AMBASSADOR STRAUSS' CONVERSATION WITH PRESIDENT
OF PATRONET CEYRAC, DECEMBER 1, 1977

SUMMARY:

AMBASSADOR STRAUSS AND PATRONET PRESIDENT CEYRAC DIS-
CUSSED THE OBJECTIVES OF THE MTN. CEYRAC EMPHASIZED THE
NEED FOR A QUICK CONCLUSION WITH DETTAILS TO BE WORKED OUT
LATER. AMBASSADOR STRAUSS CHARACTERIZED A SOLUTION TO THE
SUBSIDY/COUNTERVAIL PROBLEM AS VERY CRUCIAL TO THE SUCCESS
OF THE MTN AND ASKED FOR CEYRAC'S SUPPORT. AMBASSADOR WOLFF
ALSO PARTICIPATED IN THE DISCUSSIONS.

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1. ON DECEMBER 1, AMBASSADOR STRAUSS MET WITH CEYRAC, AT
CEYRAC'S REQUEST, SO THAT CEYRAC COULD CONVEY HIS CONCERNS
REGARDING THE MTN. THE REMARKS WERE CHARACTERIZED AS AN
EXPANSION OF EARLIER (NOV. 23) TALKS WITH CHARLES SCHULTZ,
CHAIRMAN, CEA.

2. CEYRAC'S CONCERNS WERE:

-- THE CONSEQUENCES FOR FOREIGN TRADE OF THE RECENT DROP IN THE U.S. DOLLAR EXCHANGE RATE WHICH MAY BE MORE IMPORTANT THAN TARIFF CHARGES.

-- RECENT "ASSAULTS ON IMPORTS" OF DEVELOPED COUNTRIES BY DEVELOPING COUNTRIES. SURGES IN IMPORTS OF FOOTWEAR, TEXTILES AND SMALL APPLIANCES WERE SAMPLES GIVEN. THESE ASSAULTS, SAID CEYRAC, ARE DISRUPTIVE ECONOMICALLY AND SOCIALLY.

-- THAT THE MTN BE CONCLUDED RAPIDLY WITH RESULTS PHASED ON GRADUALLY.

-- PARALLEL MOVEMENT IN THE MTN ON TARIFFS AND NON-TARIFF MEASURES.

3. CEYRAC MENTIONED SELECTIVE SAFEGUARD CLAUSE, CUSTOM'S VALUATION, GENERAL AGREEMENT, ON SUBSIDIES/COUNTERVAIL REMEDIES AND ON STANDARDS AS NTM'S IMPORTANT TO THE FRENCH BUSINESSMAN.

4. CEYRAC CONCLUDED REMARKS BY ASSURING AMBASSADOR STRAUSS THAT THE "WE ARE DEEPLY ATTACHED TO FREE INTERNATIONAL TRADE AND THE BELIEF THAT A BALANCED PACKAGE WOULD BE VERY IMPORT- LIMITED OFFICIAL USE

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ANT." THE LATTER WOULD BE ACCOMPLISHED BY A GENERAL OVER-ALL REVIEW OF MTN RESULTS.

5. AMB. STRAUSS REPLIED THAT IN HIS VIEW THE WORKINGS OF THE INTERNATIONAL ECONOMY ARE AFFECTED MORE BY NTM'S THAN BY TARIFFS AND A SOLUTION TO THE SUBSIDY/COUNTERVAIL PROBLEM IS VERY CRUCIAL TO THE SUCCESS OF THE NEGOTIATIONS. HE ASKED FOR CEYRAC'S SUPPORT IN ADDRESSING THIS VERY IMPORTANT QUESTION.

6. AMB. STRAUSS ALSO ASKED FOR CEYRAC'S SUPPORT OF RAYMOND BARRE'S INITIATIVE, TO WHICH CEYRAC SAID THAT THEY SUPPORT THE FRENCH GOVERNMENT IN ITS GOALS FOR TARIFF CUTS BUT FEEL THAT NTM'S ARE URGENT IN THE NEAR TERM SO QUICK ACTION IS NEEDED WITH THE DETAILS TO BE WORKED OUT LATER. CEYRAC ASKED FOR U.S. SUPPORT ON THIS APPROACH.

7. AMBASSADOR WOLFF POINTED OUT THAT SELECTIVE SAFEGUARDS WOULD NOT ENCOURAGE GOOD NEIGHBORLINESS. HE ALSO SAID IT WAS VERY IMPORTANT TO DEVELOP A GOOD FRAMEWORK FOR INTERNATIONAL TRADE WHICH WOULD BRING IN THE DEVELOPING COUNTRIES.

8. AMB. STRAUSS SAID THAT HE HOPED THIS WAS THE BEGINNING
OF MANY FUTURE CONVERSATIONS BETWEEN THEM BECAUSE SAID
CONVERSATIONS REDUCE TENSIONS AND POINT UP AREAS OF MUTUAL
SUPPORT. VANCE

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